

## DECLARATION OF EMERGENCY

### Office of the Governor Office of Financial Institutions

#### Banking Development Districts Program (LAC 10:I.Chapter 17)

The Office of Financial Institutions, pursuant to the emergency provision of the Administrative Procedure Act, R.S. 49:953(B), adopts the following Emergency Rules of the Louisiana Banking Development Program as authorized by R.S. 51:3103. This Rule is adopted in accordance with the Administrative Procedure Act, R.S. 49:950 et seq., shall become effective January 1, 2008, and shall remain in effect for the maximum period allowed under the Act or until adoption of the Rule, whichever occurs first.

The Office of Financial Institutions has found an immediate need to provide direction to local governments and banks located in Louisiana who are seeking to participate in the Louisiana Banking Development Program, which became effective August 15, 2007. Without these Emergency Rules the public welfare may be harmed as a result of the inability of Louisiana local governments and banks to encourage the establishment of branches of a financial institution in geographic areas where there is a demonstrated need for banking services. The failure to adopt these Rules may also impede opportunities for additional economic development in these selected geographic areas in Louisiana.

#### Title 10

### FINANCIAL INSTITUTIONS, CONSUMER CREDIT, INVESTMENT SECURITIES AND UCC

#### Part I. Financial Institutions

#### Chapter 17. Louisiana Banking Development Districts Program

##### §1701. Description of Program

A. These rules establish the application requirements and criteria for the designation of banking development districts in geographic areas where there is a demonstrated need for banking services. This program was created by Act 255 of the 2007 Louisiana Legislature to encourage the establishment of new branches by any state or federally chartered bank, savings bank, savings and loan association, or trust company, which is operating in Louisiana with an existing branch or main office, in order to enhance consumer access to banking services and aid in the promotion of local economic development.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:3103.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 34:

##### §1703. Definitions

A. The following terms shall have the meanings provided herein, unless the context clearly indicates otherwise.

*Alternative Providers of Banking Services*—licensed check cashiers, licensed money transmitters, licensed lenders and licensed residential mortgage lenders.

*Bank*—a state commercial bank or trust company, a national bank, savings bank, savings and loan association, federal savings and loan association or federal savings bank.

*Banking Services*—shall include, but not be limited to, deposit taking, check-cashing, sale of money orders,

origination of residential or commercial mortgages, consumer loans, and commercial loans.

*Branch*—a full-service branch.

*Commissioner*—the Commissioner of the Office of Financial Institutions.

*Financial Institution*—any state or federally chartered bank, savings bank, savings and loan association, or trust company, which is operating in Louisiana with an existing branch, branches or main office.

*Local Government*—a municipality or parish governing authority.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:3103.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 34:

##### §1705. Application Requirements for Designation of a Proposed Banking Development District

A. A local government, in conjunction with a bank may submit an application to the commissioner for the designation of a proposed banking development district. The application shall include the following:

1. identification of the political subdivision within a Louisiana town, city, or village that shall constitute the proposed banking development district;

2. identification of the census tracts as well as street boundaries which shall constitute the proposed banking development district. A map should also be included with the proposed banking development district clearly designated;

3. evidence of the approval of the application by the governing board of the local government;

4. characterization of the proposed banking development district as urban or rural as such terms are defined by the United State Census Bureau;

5. the number of residents and a narrative description of the population demographics included within the proposed banking development district;

6. distribution of banking services: Provide, with regard to the following geographic areas:

a. within the proposed banking development district;

b. within the entire political subdivision if different from Subparagraph a; and

c. within one half mile from the proposed banking development district:

i. the identification and location of all full-service branches of all banking institutions;

ii. the identification and location of all alternative providers of banking services;

iii. the identification and location of deposit-taking ATMs (other than those located at full-service branches), if the information is available;

iv. the identification and location of non-deposit-taking ATMs (other than those located at full-service branches), if the information is available;

7. income measures, including, but not limited to, per capita annual income and median household annual income of the proposed banking development district utilizing either the most recent United States Census Bureau data or the most recent Department of Housing and Urban Development ("HUD") annual income estimates;

8. other economic indicators, where available, including, but not limited to, unemployment data, percentage of the population at or below the poverty level, and percentage of the population receiving public assistance within the proposed banking development district. Unemployment data may be submitted for a political subdivision in which the proposed banking development district is located;

9. a narrative description of the natural and man-made geographic barriers, if any, that may impede physical access to existing banking services;

10. a narrative description of the distances and travel times from the applicant's proposed site to banking institutions and alternative providers of banking services both within the proposed banking development district and within one half mile from the proposed banking development district;

11. affirmation by the applicant bank that it will not establish the proposed banking development district branch with the intention of closing or relocating any existing nearby branch or branches;

12. narrative establishing that a branch would be economically viable within the proposed banking development district if the statutory economic incentives are provided;

13. if applicable, a narrative description of significant recent local business developments, including, but not limited to, large corporate restructurings, plant closings, or recent or proposed business openings or expansions;

14. if applicable, indications of community support or opposition for the application, as evidenced by letters from entities such as local chambers of commerce, local businesses, community-based organizations, non-profit organizations, government officials, or community residents;

15. such other documents or information as the Commissioner, in his or her discretion, may deem necessary.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:3103.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 34:

#### **§1707. Optional Information that May Be Included in an Application for Designation of a Proposed Banking Development District**

A. An application for designation of a banking development district may also (and if the commissioner shall deem such information necessary to a determination, such application shall) include the following:

1. a narrative description of the population demographics including, but not limited to, the following:

a. percentage of population age 64 and over;

b. percentage of population that is non-English speaking;

c. percentage of population consisting of minorities; and

d. percentage of population that is disabled;

2. a narrative description demonstrating coordination of plans for the establishment of the proposed banking development district with other community initiatives;

3. a narrative description of banking services which are available within the proposed banking development district or a reasonable distance as specified in §1705.6.c above;

4. a narrative description of banking services which are not available within the proposed banking development district or a reasonable distance as specified in §1705.6.c;

5. a narrative description of local commercial establishments, including, but not limited to, the number of small, medium, and large businesses located in the proposed banking development district;

6. a narrative description of significant recent local business developments, including, but not limited to, large corporate restructurings, plant closings, or recent or proposed business openings or expansions;

7. indications of community support or opposition for the application, as evidenced by letters from entities such as local chambers of commerce, local businesses, community-based organizations, non-profit organizations, government officials, or community residents.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:3103.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 34:

#### **§1709. Criteria for Approval**

A. In determining whether to approve an application for the designation of a banking development district, the commissioner shall take into consideration the following criteria:

1. a report prepared by the Secretary of the Department of Economic Development which shall determine whether or not the proposed banking development district meets the following criteria:

a. consumer needs for banking services in the proposed district;

b. the economic viability and local credit needs of the community in the proposed district;

c. the existing commercial development in the proposed district;

d. the impact additional banking services would have on potential economic development in the proposed district;

2. the location, number, and proximity of sites where banking services are available in the proposed district;

3. the location, number, and proximity to applicant's proposed site of sites where banking services are available within one half mile of the proposed banking development district;

4. the physical size of the proposed banking development district;

5. the nature of the community to be served, including, but not limited to, the demographic and economic characteristics of the proposed banking development district;

6. the financial condition and managerial ability of the applicant bank as determined by the appropriate bank regulator or other reliable sources;

7. compliance with all other applicable branching statutes and regulations;

8. history of prolonged lack of service to the proposed banking development district;

9. such other criteria which the commissioner, in his or her discretion, shall identify as appropriate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:3103.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 34:

#### **§1711. Other Requirements**

A. The requirements of this rule are in addition to any requirements established by the state of Louisiana [(R.S. 39:1211 to 39:1245) and (R.S. 49:315 to 49:327.2)] with respect to the deposit of public funds and the governing body of a local government with respect to real property tax exemptions that may be available to financial institutions within an approved banking development district.

B. In accordance with R.S. 51:3107, public funds or moneys must be deposited at the banking district depository branch located in the banking development district in order to earn a fixed interest rate allowed under the Louisiana Banking Development Districts Act.

C. The commissioner may request periodic "service" status reports from the local government and the bank that originally submitted the application for the designation of a banking development district in order to ensure that the needs of the community located in the banking development district are being met in an appropriate manner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:3103.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 34:

John Ducrest, CPA  
Commissioner